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CALIFORNIA PUBLIC UTILITIES COMMISSION

Application of PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) for Approval of Day-Ahead Real Time Rate and Pilot to Evaluate Customer Understanding and Supporting Technology.	A.20-10-011 **POST HEARING BRIEF OF ELECTRIFY AMERICA, LLC**

I. INTRODUCTION

Pursuant to Rule 13.12 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, and Administrative Law Judge ("ALJ") Sisto's ruling at hearing[1/], Electrify America, LLC ("Electrify America") hereby submits this Post-Hearing Brief regarding Pacific Gas & Electric's ("PG&E" or "Company") Application for Approval of a Day-Ahead Real Time Rate and Pilot ("Pilot") to Evaluate Customer Understanding and Supporting Technology ("Application").

1/ Hearing Transcript, Vol. III, 389:24-25, Administrative Law Judge Sisto.

The Pilot presents the Commission with an ideal opportunity to advance California's efforts at transportation electrification through enabling an increased array of stakeholders who provide or employ charging services the ability to explore the potential for a dynamic rate to improve the economics of providing electricity as a transportation fuel. Specifically for publicly accessible DCFC charging services, the Pilot presents a platform for the Commission to take advantage of the experimental nature of a pilot program to explore rate designs, in addition to the rate structures the Commission has previously approved, which focus on multi-unit dwelling, medium-duty fleet and transit agency use cases.[2/]

Demand charges are punitive for the public facing DCFC use case. The State of California recognized this when it adopted SB 1000, which included in its language a mandate to the California Public Utilities Commission that it must: "[explore] policies that support the development of technologies and rate strategies that can reduce the effects of demand charges on electric vehicles and fleets and help accelerate the adoption of electric vehicles."[3/]

Unfortunately, PG&E has proposed a rate for examination through the Pilot that presents the smallest of incremental change from the existing BEV rate structure, modifying only the time-of-use generation rates currently found in "Schedules BEV-1 and BEV-2 with a formula for determining hourly rates on a day-ahead (DA) basis.

[2/] *See* D.19-10-055, dated October 29, 2019, p. 21.

[3/] Senate Bill No. 1000, Amending Sections 65850.9 of the Government Code, Section 25231 of the Public Resources Code, and Section 740.15 of the Public Utilities Code, relating to transportation electrification, approved by the Governor September 13, 2018, Filed with the Secretary of State September 13, 2018 (Hereinafter, "Senate Bill 1000").

Rates related to distribution, transmission, and non-bypassable charges [will] continue to be assessed as specified in the original BEV schedule."[4/]

As presented during this proceeding, and as outlined in detail below, Electrify America recommends the Commission modify the Pilot rate as proposed by PG&E to address the barrier presented by demand/subscription charges to expanded publicly accessible DCFC charging within the Company's service territory.[5/] Electrify America urges the Commission to authorize a Pilot rate that explores a rate structure designed to take advantage of the ability of DCFC charging, coupled with on-site storage, to respond to real-time system characteristics involving both periods of excess renewable generation, including potential related curtailments, and periods of high system stress as indicated by inflated day-ahead pricing signals. Such a model minimizes the inherent threat a demand/subscription charge poses to the economic viability of a DCFC charger by providing a dispatchable resource to offset high generation-cost hours, yet requires careful planning and monitoring around time-varying distribution system impacts.[6/]

Specifically, Electrify America recommends the Commission, at a minimum, authorize at least one Pilot-related rate that eliminates demand/subscription charges in favor of an all-volumetric rate for Pilot participants who might elect such a framework. Electrify America submits such a rate structure would explore the ability of capable Pilot participants to store renewable electrons produced at times of over-supply to be then

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[4/] Exhibit PG&E-2- Pacific Gas and Electric, Prepared Testimony, Dated October 23, 2020 ("PG&E-2"), p, 2-1, ll. 28-31 from Tysen F. Streib. *See also*, Exhibit PG&E-4- PG&E Rebuttal Testimony, dated May 5, 2021 ("PG&E-4"), p. 1-11, ll. 13-15 from Tysen F. Streib ("Because the subscription charge does not contain any generation rates and the DAHTRP-CEV Pilot only modifies generation rates, there is no impact on the subscription charge from the Pilot.")

[5/] Contrary to the Company's Rebuttal Testimony, p. 1-2, ll. 13-17, Electrify America specifically does not agree that the Pilot rate "should cover generation revenue only."

[6/] Exhibit Electrify America-1- Prepared Direct Testimony of Jigar J. Shah on Behalf of Electrify America, LLC ("Electrify America Answer Testimony), p. 10, ll. 17-19; p. 11, ll. 16-11, p. 12 ll. 1-2; p. 14, ll. 10-20. *See also*, Hearing Transcript Vol. II, 284:10-19, Examination of Mr. Shah of Electrify America.

made available to EV drivers seeking to fuel vehicles at times of system stress, and therefore high dynamic prices. An EV-focused rate structure such as this would allow Pilot participants to take advantage of California's increasing renewable generation portfolio[7/], and specifically periods of oversupply[8/], while simultaneously mitigating the effects of EV charging at times of increased system stresses, thereby maintaining a positive customer fueling experience and encouraging transportation electrification.

PG&E should encourage capable stakeholders to employ all available resources, including customer-sited and customer-funded storage, to facilitate transportation electrification. At present, the barrier of demand/subscription charges impedes the option of charging on-site storage at times when renewably sourced electrons are at risk of loss through curtailment, to be accessed at later times during system stress, thereby mitigating the effect of EV charging on the system at critical times. To be clear, an approved dynamic all-volumetric Pilot rate should provide a comprehensive economic signal encompassing time-varying distribution circuit conditions as well as transmission and generation constraints and renewable generation oversupply to best facilitate the goals of the Pilot. The Commission should empower the Pilot to explore the potential of this use case to benefit PG&E's system and California's goal of transportation electrification.

DISCUSSION

I. THE PILOT SHOULD TAKE THE OPPORTUNITY TO EXPLORE THE BENEFIT TO THE SYSTEM FROM AN ALTERNATE TO THE SUBSCRITPION CHARGE MODEL

A. Integrating Additional Renewable Generation Is a Benefit to PG&E's System

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7/ PG&E-1, Direct Testimony of p. 1-8, l. 5 – p. 1-9, l. 8.

8/ PG&E-2, p. 2-1, ll. 13-17. *See also* PG&E-1, p. 1-9, ll. 1-3; PG&E-2, p. 2-12, ll. 5-9.

PG&E designed the Pilot rate, in part, to "help[ ] customers reduce overall greenhouse gas (GHG) emissions by avoiding the hours in which the system is most stressed and increase[ ] the utilization of renewables by charging when renewable generation is being curtailed due to oversupply."[9] Further, the Company notes that the Pilot rate "provides customers with a price that can be different in each hour of each day – **indicating to customers the most beneficial times to charge their vehicles**."[10]

The challenge to the publicly accessible DCFC use case resulting from the rate design framework proposed by the Company is that "public electric vehicle usage at DCFC sites is generally considered inelastic in nature and not able to readily respond to time-varying incentives or grid conditions given the use case to quickly refuel."[11] Indeed, a third-party study submitted by PG&E in support of the Application notes that "**[f]ast-charging location operators were particularly averse to demand charges due to their inability to manage timing or quantity of consumer demand**, especially in more remote locations where utilization rates may remain low for the foreseeable future."[12] Accordingly, it is uncontested that the public DCFC use case faces an obstacle when responding to the Pilot's price signal "indicating…the most beneficial times to charge…vehicles"[13] and to "increas[ing] the utilization of

[9] PG&E-2, p. 2-1, ll. 13-17.
[10] PG&E-2, p. 2-1, ll. 11-13. (Emphasis added)
[11] Electrify America-1, p. 10, ll. 17-19.
[12] PG&E-1, 1-AtchA-23. (Emphasis added). c.f. Hearing Transcript Volume II, 226:18-19, Examination of Mr. Gutierrez of the Public Advocates Office.
[13] PG&E-2, p. 2-1, ll. 12-13.

renewables by charging when renewable generation is being curtailed due to oversupply."[14]

However, public DCFC can be enabled to play a successful role in supporting PG&E's transportation electrification efforts and in exploring successful dynamic rate design options through the Pilot. Indeed, while "PG&E hypothesized the dynamic rate would not provide a low-cost electric fuel option for most public DCFC operators"[15], the Company does note "[t]he only exception to the above hypothesis is that DCFC stations that combine multiple charging ports with energy storage (ES) and photovoltaic (PV) systems behind the same meter could potentially use the volatility of a dynamic rate to improve the economics of the ES and PV systems."[16] Electrify America submits that a successful rate design would facilitate the improved integration of all renewable generation, not just PV located behind an individual customer's meter.

As noted, the Pilot rate has been designed to "increase[ ] utilization of renewables by charging when renewable generation is being curtailed due to oversupply."[17] PG&E testified that "the oversupply of renewable generation in the middle of the day when CAISO's potential supply exceeds customer demand, which can result in curtailment of renewable resources"[18] is one of the challenges to planning and operating the grid in response to SB 100's GHG goals.[19] While PG&E postulates that only DCFC with on-site storage and on-site solar generation can successfully respond to

[14] PG&E-2, p. 2-1, ll. 15-17.
[15] PG&E-1, p. 1-20, ll. 15-16.
[16] PG&E-1, p. 1-20, ll. 17-21.
[17] PG&E-2, p. 2-1, ll. 15-17.
[18] PG&E-1, p. 1-9, ll. 1-3.
[19] PG&E-1, p. 1-8, l. 3 – 1-9, l. 8.

a dynamic rate[20], Electrify America submits that DCFC stations with on-site storage can beneficially integrate grid-supplied renewables and in particular "oversupply of renewable generation in the middle of the day." Specifically, as discussed by Electrify America witness Mr. Shah, "behind-the-meter energy storage has the potential to benefit the system overall, and in particular TE implementation, by capturing cheap solar at the lowest-cost available and making it available at times of higher generation cost and/or system stress."[21] Cal Advocates witness Mr. Gutierrez agreed[22], as did Company witness Mr. Streib.[23] Indeed, no party contested the premise that storing renewable electrons at risk of curtailment for later infusion, behind the customer's meter, into EV charging services as mitigation against additional system stress is a benefit to the system.

Electrify America stresses its proposal does not envision the export of energy back onto PG&E's grid within the scope of this Pilot. Rather, the storage and ultimate delivery of excess renewable generation to EV drivers would occur entirely behind the customer meter; ideally with delivery to the EV driving public at times of high system stress, and therefore high dynamic prices, in an effort to mitigate the effects of inelastic third-party EV fueling demand. While Cal Advocates accuses Electrify America of "disinterest in managing the timing of total power draw of its sites' EV charging to match dynamic generation or distribution price signals"[24], the truth is exactly the opposite. Indeed, Electrify America's proposal would allow DCFC charging locations with on-site storage to manage the timing of draw on PG&E's system to correspond to

[20] PG&E-1, p. 1-20, ll. 17-21.
[21] Electrify America-1, p. 11, ll. 3-6.
[22] Hearing Transcript Vol. II, 229:3-10, Examination of Mr. Gutierrez of the Public Advocates Office.
[23] Hearing Transcript Vol. I, 157:5 – 158:8, Examination of Mr. Streib of PG&E.
[24] Exhibit Cal Advocates-2- Cal Advocates' Rebuttal Testimony, p. 1-3, ll. 19-21.

periods of low system stress, low GHG, and over-production of low-cost, renewable energy in order to avoid the negative effects of third-party EV drivers at times of high stress, high costs and high GHG.

However, this template can be successful only if charging on-site storage with oversupplied renewable energy is not hindered by demand-related charges. Burdening stakeholders with on-site storage through demand charges to access and store otherwise unwanted or unneeded energy, available at times of low system stress and produced with little-to-no GHG emissions, is contrary to SB 1000 and California's expanded transportation electrification goals. The Commission should avail itself of the opportunity presented in the Pilot to explore rate design alternatives more novel than that currently proposed by PG&E. Electrify America has stated its intention "to have over 50 DCFC sites with behind-the-meter storage operational within the next year, aggregating to over 11 MW/23 MWh" within PG&E's service territory.[25/] Under an appropriate rate design, Electrify America would be able to configure this on-site storage "to economically charge during the cheapest hours and discharge during the most expensive hours."[26/] A Pilot rate without demand-related charges "would allow Pilot participants…to provide low-cost renewable energy throughout the day to the benefit of all ratepayers through increased system reliability"[27/] without the economic disincentive resulting from subscription charges currently proposed to be implemented when accessing renewable generation that is otherwise susceptible to curtailment. As mentioned in Electrify America's testimony, the use of energy storage under a fully

[25/] Electrify America-1, p. 11, ll. 1-3.
[26/] Electrify America-1, p. 12, ll. 17-18
[27/] Electrify America-1, p. 12, ll. 17-22.

volumetric rate would not increase overall peak demand on the distribution system compared to the demand that would be incurred without the impact of an energy storage system per Rule 21 provisions[28/].

The Commission should modify the Pilot rate, and if necessary, approve multiple rates for evaluation under the Pilot, to present a rate design option that facilitates storing excess renewable energy, produced at times when "potential supply exceeds customer demand"[29/] so that this low-cost, renewable energy can be subsequently available to service EV charging demand at times of high system stress, as signaled through increased dynamic prices. Specifically, the Commission should approve a Pilot rate that does not contain a demand or a demand-based subscription charge with the goal of exploring whether DCFC service providers are able to take advantage of dynamic system conditions, including those on the distribution system circuits, and better integrate renewable generated energy into the state's transportation electrification efforts without inhibiting EV charging and without undue stress on the Company's system.

B. Subscription/Demand Charges Result in Prejudice to EV Drivers Who Are Dependent Upon Publicly Accessible DCFC Services

The California Public Utilities Commission ("CPUC") is well aware of the prejudice afforded EV drivers who lack access to single family homes or dedicated residential charging options. The draft Transportation Electrification Framework[30/] ("TEF") that the

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[28/] Electrify America-1, p. 14, ll. 1-12.

[29/] PG&E-1, p. 1-9, l. 2.

[30/] Draft Transportation Electrification Framework at 53, filed February 3, 2020, docket R. 18-12-006. (Note Rule 13.10 of the Rules of Practice and Procedure of the CPUC, California Code of Regulations, Title 20, Division 1, Chapter 1, allows for judicial notice pursuant to the statutes set forth in the California Evidence Code. This CPUC is required to take notice of facts and propositions "so universally known that they cannot reasonably be the subject of dispute." Cal. Evidence Code §451(f).

CPUC has been reviewing and implementing since February of 2020 highlighted the issue of the prejudice for EV drivers that must depend on public chargers. Notably, the Energy Division staff explained in the TEF that

> Customers who can charge an EV at home on a residential EV rate have access to favorable off-peak rates. This allows them an opportunity to charge at a competitive cost. However, customers without home charging typically do not have access to the same rates. Shared EV charging stations at MUDs and workplaces must enroll on a commercial rate with off-peak prices that are often not as favorable as those offered through residential EV rates.").[31/]

The solution, as recommended by the Energy Division staff, focused on the potential for experimentation in rates including pilot programs.

> This disparity in the cost of fueling across population segments results in customers without access to private home charging paying more to fuel their EVs due to lack of access. While cost causation principles should still apply to ratemaking, Energy Division staff sees opportunity for IOU and stakeholder innovation to address this issue. This could involve pilots partnering with public charging station providers, or a pilot involving charging vouchers, or other innovative ideas.[32/]

In the instant docket, the CPUC has the opportunity to consider the innovation available through the proposed pilot for the subset of the population that must rely on public charging.

Moreover, Cal Evidence Code §452 allows for judicial notice of both official actions of the executive department of the State (which would include the CPUC), and "facts and propositions that are not reasonably subject to dispute and are capable of immediate and accurate determination by resort to sources of reasonably indisputable accuracy." Cal. Evidence Code §452(c), (h). Since the cited language is readily verifiable, judicial notice is appropriate in this instance.)

[31/] Draft Transportation Electrification Framework at 53.

[32/] *Id.*

C. Cost Recovery

Within its Application and supporting testimony, PG&E proposes to collect the costs associated with the development and implementation of the pilot from all ratepayers within the distribution component of rates.[33/] Furthermore, in Rebuttal Testimony, the Company opines that "[b]ecause the [Pilot] is a limited time and limited enrollment pilot, the size of any potential under- or over-collections will be small"[34/] and, accordingly, the Company "believes a rate design proposal addressing potential under- or over-collections is premature."[35/]

In contrast, Cal Advocates recommended the Commission authorize recovery of Pilot costs "through the PPP charge, with the equal cents per kWh allocator"[36/], while potential under- or over-collections be "strictly" limited to Pilot participants.[37/] On this point, Electrify America, as noted in Section II(c), *infra*, supports cost recovery within the customer class participating in the pilot to allow for the widest potential exploration of alternative rate structures. The more detailed analysis on cost recovery from pilot participants is included as a direct response to the ALJ's specific question on that issue presented at the conclusion of the hearing.

D. Modification of the Subscription Charge is Neither Outside of the Scope of This Proceeding nor Prohibited by D.19-10-055

In responding to Electrify America's proposal to explore a Pilot rate that does not impose demand relates charges on customers seeking to store low-cost, low-GHG renewable energy for later consumption within EV fueling operations, Cal Advocates

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[33/] PG&E-1, p. 1-27, ll. 23-28.
[34/] PG&E-4, p. 1-7, ll. 21-23.
[35/] PG&E-4, p. 1-7, ll. 27-28.
[36/] Cal Advocates-2, p. 3-2, ll. 7-8.
[37/] Cal Advocates-2, p. 3-9, l. 19.

asserts that "Electrify America's proposal revisits issues that were thoroughly investigated and resolved in the Commission's decision approving PG&E's Business Electric Vehicle (BEV) rates (D.19-10-055) and are therefore outside the scope of the present proceeding."[38] Cal Advocates is wrong.

Under the framework of this Pilot, the Commission has an opportunity to explore the full breadth and scope of rate designs and other proposals related to "a dynamic rate option for CEV-S and CEV-L customers."[39] Furthermore, PG&E itself does not share Cal Advocates' opinion that evaluation of distribution demand-related costs in this Pilot is foreclosed as a result of D.19-10-055. Indeed, "PG&E believes that there would be load-management advantages to dynamic distribution prices"[40], but elected not to pursue them in this matter. The Company made this decision not because demand costs were a resolved issue, but rather because "it is not as straightforward as generation pricing that can be implemented based on system average conditions. More research and analysis need to be conducted before distribution is added as a[n] RT component."[41] In short, PG&E elected not to include distribution demand charges within the proposed dynamic rate because "incorporating area-based distribution rates would add substantial complexity to the information and billing systems and potentially cause confusion for customers with accounts in multiple areas."[42]

Decision 19-10-055 did not place restrictions on the scope of exploration of the current Pilot, as claimed by Cal Advocates. The Company's omission of distribution demand-related costs, including demand charges and subscription charges, was an

[38] Exhibit Cal Advocates-2, Cal Advocates' Rebuttal Testimony p. 1-2, ll. 14-16.
[39] Decision 19-10-055, dated October 28, 2019, Ordering Paragraph 9.
[40] PG&E-2, p. 2-15, ll. 6-7.
[41] PG&E-2, p. 2-15, ll. 7-10.
[42] PG&E-2, p. 2-15, ll. 24-27.

election based on ease, not Commission precedent. The Commission can explore alternatives to distribution demand-based charges under the premise of the current Pilot, and Electrify America recommends the Commission do so. Cal Advocates' attempt to frame Electrify America's advocacy as a collateral attack on D.19-10-055 is unsupported and incorrect and should be disregarded.

E. Eliminating the Subscription Charge Reflects Cost-Causation

In addition to PG&E's admission that there would be load management advantages to a dynamic distribution signal, the established record reflects that the subscription charge should be eliminated in the approved Pilot rate to better reflect cost-causation.

Specifically, Cal Advocates' witness Mr. Gutierrez testified in the instant Proceeding that distribution demand charges have been historically applied because "customers with higher demand tend to have higher coincidence for lower load diversity relative to the high stress hours of the circuit and substation that feeds them, because their usage comprises a larger portion of the circuit or substation peak."[43/] While this may at first glance seem to support the continued application of demand-based components, the reality is exactly the opposite as correlation does not imply causation. As established in D.19-10-055, the load factors of EV charging, and in particular DC Fast Charging, are unique compared to most other types of electrical load, and past principles on correlations may no longer be applicable. Indeed, Cal Advocates' witness Mr. Gutierrez testified that a proper cost causation analysis for ratepayers with high

[43/] Hearing Transcript, Vol. 2, P. 247, Lines 10-15, Examination of Mr. Gutierrez of the Public Advocates Office.

demand "would need to look at the coincidence or overlap of the customer's usage profile to their transformer's maximum demand and to the hours at the highest stress of the circuit feeder and substation that services them."[44/] Thus, the current subscription charge, which is time-invariant, does not reflect cost-causation as it biases the discharge of behind-the-meter storage to mitigate distribution demand to minimize subscription charges even when in reality the distribution circuit may not be stressed and when there may be excess renewable supply. A comprehensive time-varying signal of distribution circuit conditions, and wider transmission and generation conditions, including excess renewable supply, would better reflect cost-causation and align with the principles of SB 1000.

Furthermore, the subscription charge being approved for the Pilot rate fails even basic applications of logic with respect to cost-causation. As mentioned in Electrify America's initial testimony and uncontested in the record:

> In other words, Electrify America's utility bill at DCFC sites is directly impacted by the ability to predict public EV driver demand levels on a site-by-site basis for every unique billing cycle in advance and continuously respond to overage alerts or otherwise face a doubling of the demand charge corresponding to an under prediction or, in the alternative, forfeit paid-for-demand if over-subscribed. Prior to D.19-10-055, two commercial customers with the same load profile (including incurred demand) were never subject to potentially vastly different utility bills based on their statistical abilities to predict and update demand levels month-to-month. Yet, with the subscription charge, this exact outcome can and likely does exist, undermining assertions that the CEV rate reflects cost-causation.[45/]

[44/] Hearing Transcript, Vol. 2, 246:22-27, Examination of Mr. Gutierrez of the Public Advocates Office.

[45/] Electrify America-1, p. 8, ll. 13-22.

The Commission should investigate a remedy for this dissonance from cost-causation through evaluating a Pilot rate that eliminates the subscription charge and associated overage penalties.

F. Electrify America is Not Advocating for a Change to the BEV Rate Design

In responding to Electrify America's recommendation to authorize a volumetric-only Pilot rate, PG&E witness Mr. Streib provided the following dialogue:

> Q 25 Should there be any changes to the BEV subscription charge?
> A25 No. the BEV schedules have only recently been approved by the Commission and it's premature to consider any modification to the underlying structure.[46/]

To be clear, Electrify America is not recommending, and has not requested, that the Commission modify the existing BEV rate structure as part of this this proceeding. Indeed, Electrify America witness Mr. Shah explicitly stated his understanding of, and respect for, the Commission's approval of the BEV rate pursuant to D.19-10-055[47/]. Moreover, Mr. Shah's recommended modifications to the Pilot rate were limited to: "…the [Pilot] rate should be modified to eliminate subscription charges for **any participant in the pilot during the pilot period**."[48/]

Electrify America did not propose to modify the BEV rate structure and, indeed, limited the recommended rate structure to apply only to customers participating in the pilot and to apply only for the duration of the pilot. PG&E's characterization of the scope of Electrify America's recommendation is contradicted by the record and should be dismissed. Electrify America's recommendation is limited only to the Pilot, as an

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[46/] PG&E-4, 1-12, l. 31 – 1-13, l. 3.
[47/] Electrify America-2, p. 9, ll. 5-7.
[48/] *Id.*, p. 15, ll, 23-24. (Emphasis added)

opportunity to explore alternate rate design options in an effort to advance California's transportation electrification efforts.

II. QUESTIONS PRESENTED BY THE ADMINISTRATIVE LAW JUDGES

a. The Impact of Submitted Stipulations

After reviewing the stipulations filed during the hearing—specifically those related to the Marginal general capacity cost (MGCC) rate design study and the Revenue Neutral Adder (RNA) component—Electrify America takes no position. However, Electrify America does not believe the Stipulations prohibit further exploration of rate options within the pilot including the suspension of subscription charge for pilot participants. Further, Electrify America has no reason to believe the stipulations will affect the timing of the pilot launch as long as the timeframe presented by the stipulating parties to the MGCC stipulation are able to meet their timing benchmarks.

b. The Size of Pilot as Defined by PG&E's Testimony

The testimony of PG&E witness Lydia Krefta attests that the size of the pilot should not be confined to fifty individual sites.[49/] Electrify America supports this interpretation because it will provide a more comprehensive pilot than if limited to fifty locations. Here, the CPUC is faced with the question of calibrating the proper size of the pilot to understand how different rate structures will support EV charging while also responding to real-time grid conditions. Given the size of the PG&E service territory, Electrify America observes that confining the pilot to fifty individual sites would not yield the diversity of data that can help inform future rate design for Transportation

[49/] Hearing Transcript, Vol. 1, P. 44, Lines 23-25, Examination of Lydia Krefta of PG&E.

Electrification. Accordingly, Electrify America supports an interpretation of the pilot size of fifty that allows for a more robust enrollment of customers.

c. Should Costs of the Pilot be Confined to Recovery from BEV Customers

Electrify America supports cost recovery directly related to the pilot from the pilot customer class. While the question posed at the conclusion of the hearing asked for feedback on whether the BEV class should account for the costs of the pilot, Electrify America submits that spreading the cost recovery over such a larger class of customers provides a disincentive for the experimentation with rate structures possible under the pilot. Customer advocates should have the confidence that customers that do not enroll in the pilot are not subject to costs associated with dynamic rate structures. Confining cost recovery to pilot participants yields the most transparent mechanism to accomplish this goal.

Further, Electrify America supports the proposed revenue recovery from the pilot participants. We are not asking the CPUC to endorse a rate that deprives PG&E of anticipated revenues associated with the pilot. On this point, Electrify America continues to support a true-up mechanism confined to the pilot class at the conclusion of the pilot to ensure rate neutrality.

III. CONCLUSION

Based on the foregoing, the Commission should adopt Electrify America's recommendation to eliminate the subscription charge for pilot participants, and instead recover costs on a volumetric basis. In the alternative, Electrify America has no objection to a true-up of under recovered costs after conclusion of the pilot. Either

scenario provides a pilot that will render information that will be useful as transportation electrification continues to roll-out and will more immediately provide metrics and data on energy storage as a component of the DAHRTP rate.

Dated this 9th day of July, 2021.

Respectfully submitted,

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